

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 /018 W  
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R 061208Z OCT 75  
FM AMEMBASSY ASUNCION  
TO USDOC WASHDC  
INFO SECSTATE WASHDC 5861

UNCLAS ASUNCION 3924

USDOC

E.O. 11652: N/A  
TAGS: BBSR, PA  
SUBJECT: WTDR - COMPANIA ALGODONERA PARAGUAYA S.A. (CAPSA)

REF: USDOC 13717

1. ADDRESS: CALLE YEGROS 525, SEGUNDO PISO, ASUNCION,  
PARAGUAY. CABLE: CAPSA. TELEX 115PY CAPSA.  
PHONE: 44153. OFFICER: JUAN D. FRANCO, GENERAL ACCOUNTANT.

2. LARGE FIRM ESTABLISHED 1951. EMPLOYS 950 OF WHICH  
180 ARE ADMINISTRATIVE PERSONNEL AND THE REMAINDER PLANT  
AND WAREHOUSE WORKERS. ACTS AS PROCESSOR, DISTRIBUTOR AND  
EXPORTER OF DOMESTIC AGRICULTURAL PRODUCTS AND BYPRODUCTS.

3. FINANCIAL REFERENCES: FIRST NATIONAL CITY BANK,  
CASILLA POSTAL 1174, BANK OF AMERICA N.T. AND S.A.,  
CASILLA POSTAL 1321; BOTH OF ASUNCION, PARAGUAY. COMMERCIAL  
REFERENCES: WALTER L. WILLNER COMPANY, INC., 11 BROADWAY,  
NEW YORK NY 10004.

4. NO FOREIGN FIRMS REPRESENTED.

5. CAPSA IS ONE OF THE TWO LARGEST INDUSTRIAL ORGANIZATIONS  
IN PARAGUAY. IT OWNS AND OPERATES FOUR PROCESSING  
PLANTS AT CAPIATA, PIRAPO, YPACARAI AND CAACUPE;  
USES TWO PROCESSING PLANTS OWNED BY AN AFFILIATE  
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COMPANY; AND HAS STORAGE FACILITIES OF ITS OWN IN THE

MOST ACTIVE AGRICULTURAL AREAS AS WELL AS IN ASUNCION, WHERE ITS MAIN OFFICE IS LOCATED. CAPSA OPERATIONS INCLUDE COTTON GINNING AND COMPRESSION; TOBACCO STEMMING AND REDRYING; PROCESSING OF COTTON SEED, SOYBEANS, TUNG SEEDS, SUNFLOWER SEED, CASTOR BEANS, PEANUTS, PALM NUT AND KERNEL. ITS PRODUCTION INCLUDES EDIBLE AND IN-EDIBLE VEGETABLE OILS, SHORTENING, TABLE OILS, MARGARINE, GLYCERIN FROM VEGETABLE FATS AND OILS, FATTY ACIDS, BUNDLED TOBACCO, AND COTTON FIBERS, AND OTHER VEGETABLE BYPRODUCTS. MOST OF ITS PRODUCTION IS EXPORTED WORLDWIDE. CAPSA MANUFACTURES ITS OWN PLASTIC CONTAINERS FOR TABLE OILS AND OTHER PRODUCTS, AND DOES ITS OWN FILLING, LABELING AND CANNING. IT WAS FOUNDED BY A GROUP OF LOCAL BUSINESSMEN AND RAPIDLY EXPANDED. THE INTERAMERICAN DEVELOPMENT BANK ASSISTED THIS COMPANY WITH A \$550,000 LOAN IN 1966 AND A \$1,500,000 LOAN IN 1968. AFTER SOME YEARS OF PARAGUAYAN-URUGUAYAN OWNERSHIP, THE CONTROL OF THE COMPANY PASSED TO ATLANTIC DEVELOPMENT GROUP FOR LATIN AMERICA (ADELA), AN INTERNATIONAL DEVELOPMENT AND FINANCING CORPORATION ORGANIZED IN 1964 BY OVER 200 LEADING AMERICAN, EUROPEAN AND JAPANESE BUSINESS AND BANKING ORGANIZATIONS. ITS BRANCH IN BUENOS AIRES, ARGENTINA, COMPANIA DE INVERSIONES S.A., IS RESPONSIBLE FOR ADELA'S SEVERAL INVESTMENTS IN PARAGUAY. WHILE SOME LOCAL SOURCES REPORT THAT AT LEAST 15 PERCENT OF CAPSA'S CAPITAL IS STILL IN PARAGUAYAN HANDS, OTHER SOURCES STATE THAT ADELA WHOLLY CONTROLS THIS COMPANY. CAPSA CONTINUES EXPANDING AND IMPROVING ITS EQUIPMENT AND FACILITIES, AND IT REGULARLY BUYS MISCELLANEOUS TYPE OF EQUIPMENT FOR ITS VARIED OPERATIONS. DURING THE LATE 60S AND EARLY 70S, CAPSA FOUND ITSELF IN A STRINGENT LIQUIDITY POSITION BECAUSE OF ITS EXPANSION AND A SOYBEAN CROP FAILURE. IT NOW APPEARS THAT THIS COMPANY HAS FULLY RECOVERED. CAPSA'S SUPPLIERS GENERALLY DEAL WITH THIS COMPANY ON A LETTER OF CREDIT BASIS. FOR PURCHASES AND BUSINESS MATTERS IN THE U.S., CAPSA USES THE SERVICES OF ITS AGENT THERE, WALTER L. WILLNER COMPANY, INC., 11 BROADWAY, NEW YORK NY 10004.

6. OCTOBER 1975.

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## Message Attributes

**Automatic Decaptioning:** X  
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**Status:** NATIVE  
**Subject:** WTDR - COMPANIA ALGODONERA PARAGUAYA S.A. (CAPSA)  
**TAGS:** BBSR, PA  
**To:** COM  
**Type:** TE  
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